

SENATE BILL No. 319

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2-331.5; IC 16-47.

Synopsis: Aggregate purchasing of prescription drugs. Allows county hospitals, nonprofit organizations, small businesses, and the state Medicaid program to participate in the aggregate prescription drug purchasing program. Repeals a provision prohibiting the state Medicaid program from participating in a multi-state prescription drug purchasing program. Requires the state personnel department to charge fees for certain administrative costs.

Effective: July 1, 2005.

Simpson

January 6, 2005, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 319

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-18-2-331.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2005]: **Sec. 331.5. "Small business", for**
4 **purposes of IC 16-47-1, has the meaning set forth in IC 16-47-1-0.5.**

5 SECTION 2. IC 16-47-1-0.5 IS ADDED TO THE INDIANA CODE
6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2005]: **Sec. 0.5. As used in this chapter, "small business" means**
8 **a business that satisfies the following:**

- 9 (1) **The business is independently owned and operated.**
10 (2) **The principal office of the business is located in Indiana.**
11 (3) **The business has not more than one hundred (100)**
12 **employees.**

13 SECTION 3. IC 16-47-1-5 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 5. (a) The following**
15 **shall participate in the program:**

- 16 (1) **The department, for a health benefit plan:**
17 (A) **described in section 2(1), 2(2), or 2(3) of this chapter; and**



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- 1 (B) that provides coverage for prescription drugs.
 2 (2) A state educational institution, for a health benefit plan:
 3 (A) described in section 2(4) of this chapter; and
 4 (B) that provides coverage for prescription drugs;
 5 unless the budget agency determines that the state educational
 6 institution's participation in the program would not result in an
 7 overall financial benefit to the state educational institution.
 8 (b) The following may participate in the program:
 9 (1) A state agency other than the department that:
 10 (A) purchases prescription drugs; or
 11 (B) arranges for the payment of the cost of prescription drugs.
 12 (2) A local unit (as defined in IC 5-10-8-1).
 13 (3) The Indiana comprehensive health insurance association
 14 established under IC 27-8-10.
 15 **(4) A county hospital under IC 16-22.**
 16 **(5) A small business.**
 17 **(6) A nonprofit organization that has not more than one**
 18 **hundred (100) employees.**
 19 (c) ~~The state Medicaid program may not participate in the program~~
 20 ~~under this chapter.~~
 21 SECTION 4. IC 16-47-1-11 IS ADDED TO THE INDIANA CODE
 22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 23 1, 2005]: **Sec. 11. (a) The department shall adopt rules under**
 24 **IC 4-22-2 to charge an entity listed in section 5(b)(4) through**
 25 **5(b)(6) of this chapter a fee to cover the administrative costs**
 26 **associated with the participation of the entity in the program.**
 27 **(b) The department, with the approval of the budget agency,**
 28 **may adopt rules under IC 4-22-2 to establish application**
 29 **requirements and an application process for the entities listed in**
 30 **section 5(b) of this chapter to participate in the program.**
 31 SECTION 5. IC 16-47-2-2 IS REPEALED [EFFECTIVE JULY 1,
 32 2005].

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